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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, CHAIRMAN
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY, AND FOR ADJUSTMENTS
TO ITS RATES AND CHARGES FOR UTILITY
SERVICE FURNISHED BY ITS WESTERN
GROUP AND FOR CERTAIN RELATED
APPROVALS.

DOCKET NO. W-01445A-10-0517

CERTIFICATE OF FILING

ORIGINAL

Pursuant to Decision No. 73144, dated May 1, 2012, Arizona Water Company submits the
attached Off-Site Facilities Fee status report for the calendar year ending December 31, 2014.

RESPECTFULLY SUBMITTED this 30th day of January, 2015.

Arizona Corporation Commission

DOCKETED

JAN 30 2015

DOCKETED BY

ARIZONA WATER COMPANY

By:

E. Robert Spear (No. 025772)

General Counsel

ARIZONA WATER COMPANY

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1 Original and thirteen (13) copies of the foregoing were delivered this 30th day of January, 2015, to:

2 Docketing Supervisor
Docket Control Division
3 Arizona Corporation Commission
1200 West Washington Street
4 Phoenix, Arizona 85007

5 Copy of the foregoing was delivered this 30th day of January, 2015, to:

6 Honorable Lyn Farmer
Chief Administrative Law Judge
7 Hearing Division
Arizona Corporation Commission
8 1200 West Washington Street
Phoenix, Arizona 85007

9 Mr. Steven M. Olea, Director
10 Utilities Division
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23 Scottsdale, Arizona 85255
Executive Director, Water Utilities Association of Arizona

24
25 By: 

Arizona Water Company
Off-Site Facilities Fee
Pinal Valley
Status Report Per Decision No. 73144
For the Year December 31, 2014

Line No.	Customer Name	Location / Address	Lot	Parcel	City	Date Received	Amount
1	D R Horton	787 W Silver Reef Drive	174	504-57-3740	Casa Grande, AZ	1/3/2014	\$ 3,500.00
2	Capital R Construction	8537 N Calle Vistoso	73	509-92-073	Casa Grande, AZ	1/3/2014	\$ 3,500.00
3	Wiedmeier, Dennis	1424 N Gilbert Avenue		506-04-257	Casa Grande, AZ	1/17/2014	\$ 3,500.00
4	D R Horton	812 W Silver Reed Drive	171	504-57-3710	Casa Grande, AZ	1/27/2014	\$ 3,500.00
5	Absolute Construction Inc	1410 E Dove Place		505-01-673	Casa Grande, AZ	1/31/2014	\$ 3,500.00
6	Marathon Resources (FRE CG)	1875 E Sabin Drive		505-82-008A	Casa Grande, AZ	2/7/2014	\$ 8,750.00
7	D R Horton	1805 N Lewis Place	228	504-57-4280	Casa Grande, AZ	2/7/2014	\$ 3,500.00
8	D R Horton	1873 N Lewis Place	211	504-57-4110	Casa Grande, AZ	2/7/2014	\$ 3,500.00
9	Marathon Resources (FMC CG)	1875 E Sabin Drive		505-82-008A	Casa Grande, AZ	2/7/2014	\$ 3,500.00
10	Marathon Resources (FMC CG)	1875 E Sabin Drive		505-82-008A	Casa Grande, AZ	2/7/2014	\$ 28,000.00
11	LaPaglia, Vincent	11615 N Hazeldine Road		509-74-016D	Casa Grande, AZ	2/28/2014	\$ 8,750.00
12	Ocotillo Homes LLC	9773 W Martin Road	80	509-92-080	Casa Grande, AZ	3/7/2014	\$ 3,500.00
13	Dynacomm Inc	514 N Avenue A		505-30-003M	Casa Grande, AZ	3/14/2014	\$ 3,500.00
14	Shearer Development LLC	286 W Crismon Sky Court	30	504-02-041	Casa Grande, AZ	3/21/2014	\$ 3,500.00
15	Meritage Homes	2610 E San Mateo Drive	1370	505-90-329	Casa Grande, AZ	3/21/2014	\$ 3,500.00
16	City of Coolidge	SW Corner Coolidge & Main			Coolidge, AZ	3/28/2014	\$ 8,750.00
17	Absolute Construction Inc	10344 W Shetland Lane		509-60-1170	Casa Grande, AZ	4/11/2014	\$ 3,500.00
18	Hanson, Rick	8166 W Pineveta	1302	406-05-130	Casa Grande, AZ	4/30/2014	\$ 3,500.00
19	Hanson, Rick	8781 W Altos Drive	2815	406-06-377	Casa Grande, AZ	4/30/2014	\$ 3,500.00
20	Meritage Homes	Retention Area Hancock Trail		505-90-5590	Casa Grande, AZ	5/2/2014	\$ 3,500.00
21	Meritage Homes	12 N Mesilla Lane	1358	505-90-317	Casa Grande, AZ	5/9/2014	\$ 3,500.00
22	D R Horton	803 W Silver Reef Drive	172	504-57-372	Casa Grande, AZ	5/9/2014	\$ 3,500.00
23	Pate, Lynn	1425 N Juniper		506-04-244A	Casa Grande, AZ	5/23/2014	\$ 3,500.00
24	D R Horton	1253 E Kingman Street	67	505-01-0690	Casa Grande, AZ	5/30/2014	\$ 3,500.00
25	DeBarthe, Marlo & Philip	1429 N Juniper Drive		506-04-246A	Casa Grande, AZ	6/9/2014	\$ 3,500.00
26	Hernandez, Guadalupe	1428 N Gilbert Avenue		506-04-255A	Casa Grande, AZ	6/20/2014	\$ 3,500.00

Arizona Water Company
Off-Site Facilities Fee
Pinal Valley

Status Report Per Decision No. 73144
For the Year December 31, 2014

Line No.	Customer Name	Location / Address	Lot	Parcel	City	Date Received	Amount
27	D R Horton	1617 E Jahns Street	83	505-15-409	Casa Grande, AZ	6/27/2014	\$ 3,500.00
28	Menlo Realco AZ Casa Grande LLC	McMurray & Henness			Casa Grande, AZ	7/18/2014	\$ 59,500.00
29	D R Horton	811 W Judi Drive	150	504-57-3500	Casa Grande, AZ	7/18/2014	\$ 3,500.00
30	D R Horton	804 W Silver Reef Drive	170	504-57-370	Casa Grande, AZ	7/31/2014	\$ 3,500.00
31	D R Horton	772 W Silver Reef Drive	166	504-57-366	Casa Grande, AZ	7/31/2014	\$ 3,500.00
32	Absolute Construction Inc	8469 N Bel Air Road		509-59-005E	Casa Grande, AZ	7/31/2014	\$ 3,500.00
33	D R Horton	1234 E Kingman	7	505-01-009	Casa Grande, AZ	8/8/2014	\$ 3,500.00
34	D R Horton	770 W Barrus Drive	204	504-57-404	Casa Grande, AZ	8/8/2014	\$ 3,500.00
35	D R Horton	779 W Jahns Drive	192	504-57-392	Casa Grande, AZ	8/8/2014	\$ 3,500.00
36	D R Horton	795 W Silver Reef	173	504-57-373	Casa Grande, AZ	8/8/2014	\$ 3,500.00
37	D R Horton	1915 N Lorretta Place	231	504-57-431	Casa Grande, AZ	8/8/2014	\$ 3,500.00
38	D R Horton	1245 E Kingman Drive	65	505-01-0670	Casa Grande, AZ	8/29/2014	\$ 3,500.00
39	D R Horton	755 W Barrus Drive		504-57-4070	Casa Grande, AZ	8/29/2014	\$ 3,500.00
40	D R Horton	1624 E Judi Drive	40	505-15-3660	Casa Grande, AZ	9/19/2014	\$ 3,500.00
41	Garza, Andrez	300 N Colorado Street		505-30-020A	Casa Grande, AZ	9/19/2014	\$ 3,500.00
42	D R Horton	1620 E Judi Street	41	505-15-3670	Casa Grande, AZ	9/26/2014	\$ 3,500.00
43	D R Horton	737 W Silver Reef	180	504-57-3800	Casa Grande, AZ	9/26/2014	\$ 3,500.00
44	Costanza, Bob	9408 W Paseo Callado	94	509-92-0940	Casa Grande, AZ	10/3/2014	\$ 3,500.00
45	D R Horton	1814 N Lewis	230	504-57-4300	Casa Grande, AZ	10/15/2014	\$ 3,500.00
46	D R Horton	1249 E Kingman	66	505-01-0680	Casa Grande, AZ	10/15/2014	\$ 3,500.00
47	Roethlie, James	10565 N Burris Road		509-30-112	Casa Grande, AZ	10/27/2014	\$ 3,500.00
48	D R Horton	779 W Silver Reef Drive	175	504-57-3750	Casa Grande, AZ	10/31/2014	\$ 3,500.00
49	D R Horton	779 W Judi Drive	154	504-57-3540	Casa Grande, AZ	11/7/2014	\$ 3,500.00
50	D R Horton	1238 E Kingman Street	8	505-01-0100	Casa Grande, AZ	11/7/2014	\$ 3,500.00
51	D R Horton	767 W Judi Drive	155	504-57-3550	Casa Grande, AZ	11/21/2014	\$ 3,500.00
52	Meritage Homes	42 S Mesilla Lane	1348	505-90-3070	Casa Grande, AZ	12/5/2014	\$ 3,500.00

Status Report Per Decision No. 73144
For the Year December 31, 2014

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Arizona Water Company
Off-Site Facilities Fee
Pinal Valley

Status Report Per Decision No. 73144

Disbursements from Off-site Facilities Fee Fund

Project: WA 6-5221 Construct Underground Storage Facility

For the Year December 31, 2014

Line No.	Month	Description	Invoice No.	Expenditures	
				Amount	Total by Month
1.	March	PAYROLL	N/A	3,392.46	
2.	March	TRANSPORTATION	N/A	109.66	
3.	March	QUICKSILVER EXPRESS COURIER	1072513	92.52	
4.					3,594.64
5.					0.00
6.	April	PAYROLL	N/A	363.13	
7.					363.13
8.					0.00
9.	May	PAYROLL	N/A	2,530.50	
10.	May	TRANSPORTATION	N/A	126.74	
11.					2,657.24
12.					0.00
13.	June	OVERHEAD	N/A	635.10	
14.	June	CLEAR CREEK ASSOCIATES	8352	5,292.50	
15.	June	PAYROLL	N/A	3,733.30	
16.	June	TRANSPORTATION	N/A	238.26	
17.					9,899.16
18.					0.00
19.	July	CLEAR CREEK ASSOCIATES	8428	12,015.00	
20.	July	PAYROLL	N/A	4,520.70	
21.	July	TRANSPORTATION	N/A	172.94	

Arizona Water Company
Off-Site Facilities Fee
Pinal Valley

Status Report Per Decision No. 73144

Disbursements from Off-site Facilities Fee Fund

Project: WA 6-5221 Construct Underground Storage Facility

For the Year December 31, 2014

Line No.	Month	Description	Invoice No.	Expenditures	
				Amount	Total by Month
22.	July	OVERHEAD	N/A	1,600.33	18,308.97
23.					
24.					
25.	August	LEGEND TECHNICAL SERVICES	000198	1,551.60	
26.	August	PAYROLL	N/A	3,151.93	
27.	August	TRANSPORTATION	N/A	354.48	
28.	August	OVERHEAD	N/A	3,171.28	
29.	August	CENTRAL ARIZONA SUPPLY	000247	191.86	
30.	August	CLEAR CREEK ASSOCIATES	8513	21,090.20	
31.	August	COOLIDGE ACE HARDWARE	000263	87.27	29,598.62
32.					
33.					
34.	September	CASCADE DRILLING LP	113-14-6319	32,600.00	
35.	September	HOME DEPOT CREDIT SERVICE	000324	331.21	
36.	September	PAYROLL	N/A	2,494.57	
37.	September	TRANSPORTATION	N/A	125.06	
38.	September	OVERHEAD	N/A	6,136.03	
39.	September	LEGEND TECHNICAL SERVICES	000454	1,623.60	
40.					43,310.47
41.					
42.	October	CLEAR CREEK ASSOCIATES	8620	13,701.75	
					29,598.62

Arizona Water Company
Off-Site Facilities Fee
Pinal Valley

Status Report Per Decision No. 73144

Disbursements from Off-site Facilities Fee Fund

Project: WA 6-5221 Construct Underground Storage Facility
For the Year December 31, 2014

Line No.	Month	Description	Invoice No.	Expenditures		Disbursement
				Amount	Total by Month	
43.	October	PAYROLL	N/A	4,179.97		
44.	October	TRANSPORTATION	N/A	162.77		
45.	October	OVERHEAD	N/A	2,165.34		
46.					20,209.83	43,310.47
47.						
48.	November	CLEAR CREEK ASSOCIATES	8708	3,420.00		
49.	November	STATE OF ARIZONA DWR	406090	3,000.00		
50.	November	PAYROLL	N/A	2,502.06		
51.	November	TRANSPORTATION	N/A	96.92		
52.					9,018.98	20,209.83
53.						
54.	December			0.00		
55.					0.00	9,018.98
56.						
57.						
58.	Total Activity				136,961.04	136,961.04
59.						
60.	Project description included as Attachment A.					

Attachment A

ARIZONA WATER COMPANY
Pinal Valley Division

Proposed Central Arizona Project ("CAP") Recharge and Recovery Facility
Coolidge, Arizona

1. Project Summary

Arizona Water Company plans to deliver, store and recover all or a portion of the company's 10,884 acre feet per year of CAP surface water allocations that are not currently delivered directly to customers in the Casa Grande and Coolidge areas of the Pinal Valley Division. The company will store this amount of unused CAP surface water in underground storage through recharge at the company's existing 66-acre site ("Recharge Site") for the direct beneficial use of its customers.

The company will take delivery of this CAP surface water from the company's planned 24-inch transmission main from the CAP canal to the Recharge Site. The CAP surface water will flow into one or more recharge basins and percolate into the groundwater basin and be stored pursuant to an Underground Storage Facility ("USF") permit from the Arizona Department of Water Resources ("ADWR"). The company will recover stored CAP surface water from wells at the Recharge Site and from other wells in the company's Pinal Valley service area, pursuant to recovery well permits from ADWR. The water recovered from the on-site wells will flow from the Recharge Site through a 36-inch transmission main to the Pinal Valley water system. Storing CAP surface water at the Recharge Site will assure long-term availability of sustainable water supplies for the company's customers in Coolidge and elsewhere in the Pinal Valley water system.

2. Location

The Recharge Site is located north of Steele Road and east of Wheeler Road, south of the Coolidge municipal airport (Pinal County Assessor's Parcel Number 400-01-006C, see attached parcel map).

3. Background

Agriculture accounts for more than 90 percent of total water use in the Pinal Active Management Area and the general Pinal Valley service area. But demand for water supplies to serve municipal and industrial uses is rising. Beginning with new assured water supply ("AWS") rules in 1995 and continuing with revisions to the AWS rules in 2005, 2007 and 2010, ADWR requires a Physical Availability Demonstration ("PAD") showing water is physically available for a proposed development for at least 100 years. Also, the AWS rules require that groundwater delivered to new developments must be replenished with renewable supplies, such as CAP surface water or reclaimed water.

ADWR approved the company's PAD in 2010, showing that certain quantities of groundwater are physically available for a 100-year period which can be allocated to planned subdivisions to satisfy AWS requirements. As of November 1, 2013, at least 11,500 acre feet of groundwater remain physically available for new developments in the company's Pinal Valley service area.

In addition to abundant local groundwater, the company holds two CAP surface water allocations: 8,884-acre feet for Casa Grande and 2,000 acre feet for Coolidge. In 2012, the company delivered 1,668-acre feet of untreated CAP surface water to three (3) customers in the Pinal Valley service area; two are turf facilities and one is a Salt River Project power plant. The remaining approximately 9,200 acre-feet of CAP water remain available to meet customer demands.

The company's ability to serve growing numbers of customers is tied in large part to AWS rules that require physically available and renewable supplies for new developments. The company can put its full CAP allocation to beneficial use, either through recharge and recovery or through direct delivery.

The company has plans for a 10 million gallon per day CAP surface water treatment facility at the Recharge Site, which would employ best available treatment technology for direct potable use. The company extended the schedule for the CAP surface water treatment facility originally planned for 2012 because of the severe downturn in home building in Pinal County. Instead of building a CAP surface water treatment facility at this site for more than \$75 million, the company will design and operate facilities at the Recharge Site to recharge, store and recover CAP water until a treatment plant is needed.

4. Project Objectives

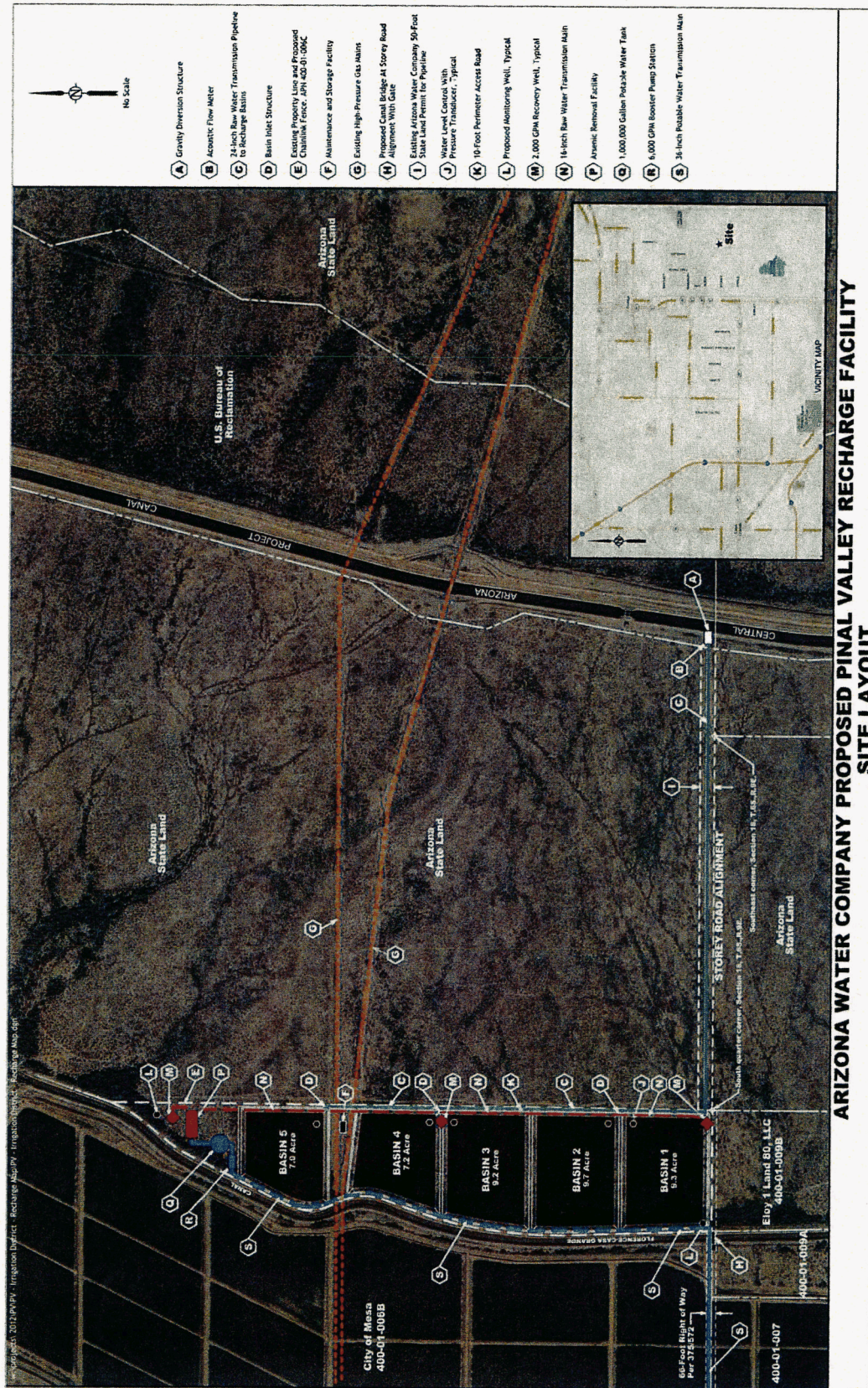
The primary objectives for the Project are to fully use the company's 10,884 acre foot Pinal Valley service area subcontract for CAP water, to maximize the use of renewable supplies and to add to the company's physically available supplies.

5. Project Description

Untreated CAP surface water will flow by gravity from the CAP canal to five (5) recharge basins constructed at the Recharge Site through a 3,000-linear foot 24-inch transmission main that will be installed from the CAP canal to the Recharge Site within the company's existing Arizona State Land Department lease. The company will use an ultrasonic meter located at the point of delivery from the CAP canal to measure water deliveries to the 24-inch pipeline. Water quality characteristics of the Colorado River and the CAP aqueduct have been studied extensively and are well known. The company is planning to use percolation spreading basins as its method of recharge at the Recharge Site. Due to the high quality of CAP surface water, the untreated CAP surface water will not require pre-treatment prior to entering the percolation spreading basins.

The percolation basins will be approximately 700 feet long, 540 feet wide and 12 feet deep. Company engineers will determine the actual size, depth and number of percolation basins after a hydrologic study of the Recharge Site is completed by a hydrologic consulting firm. The company will drill and maintain two monitoring wells near the recharge basins to measure the level of groundwater mounding caused by percolating CAP water. A proposed design of the Recharge Site is attached.

An eight foot tall chain link fence topped with razor ribbon or barbed wire will prevent unauthorized entry, potential contamination to the water supply, vandalism and damage to or theft of equipment, and will reduce the amount of debris that could enter the Recharge Site.



**ARIZONA WATER COMPANY PROPOSED PINAL VALLEY RECHARGE FACILITY
SITE LAYOUT**

